

LOWER PAXTON TOWNSHIP AUTHORITY MEETING

Minutes of Township Authority Meeting held November 20, 2012

The meeting of the Lower Paxton Township Authority was called to order at 6 p.m. by Chairman William B. Hawk, on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Authority members present in addition to Mr. Hawk were: William C. Seeds, Sr., William L. Hornung, Gary A. Crissman, and David B. Blain. Also in attendance were William Weaver, Jim Wetzel, and Mark Hilson, Lower Paxton Township Authority, Jeff Wendle and Kevin Shannon, CET Engineers; and Watson Fisher, SWAN.

Pledge of Allegiance

Mr. Crissman led in the recitation of the Pledge of Allegiance to the Flag.

Approval of Minutes

Mr. Crissman made a motion to approve the minutes of the August 28, 2012 and October 16, 2012 business meetings. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Public Comment

No public comments were presented.

Board Members' Comments

No comments were presented.

New Business

Action on Change Order #1 for the Linglestown Pump Station Contract 2 for
final adjustments on contract quantities
and
Action on Change Order #2 for the Linglestown Pump Station Contract 1 for
final adjustments on contract quantities

Mr. Shannon explained that both change orders are needed as a requirement of the Pennvest funding. He noted that there was no increase in contract pricing, as the projects have been completed for quite some time. He noted for the schedule of values listed in the beginning

of the job versus the schedule of values at the end of the job, Department of Environmental Protection (DEP) and PENNVEST needed to approve the slight change in two of the items for each contract, which was a wash in values. He noted that PENNVEST insisted in compensating the change orders for these contracts.

Mr. Crissman made a motion to approve Change Order #1 for the Linglestown Pump Station Contract 2 for final adjustments on contract quantities and approval of Change Order #2 for the Linglestown Pump Station Contract 1 for final adjustments on contract quantities. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Action on Change Order #8 for the PC4B-6C Contract with
Ronca and Sons for Final adjustments on contract quantities

Mr. Shannon noted that Change Order #8 is the final adjusting Change Order for Ronca's Contract in PC4B-6C. He explained that he had to adjust the contract quantities to agree with what was actually installed in the project. He noted that they extended the date for final payment as they had gone past the July 31, 2012 date. He explained that it resulted in a net increase of \$588,739.85 to bring the total contract price to \$8,874,728.85.

Mr. Crissman made a motion to approve Change Order #8 in the amount of \$588,739.85 bringing the total contract price to \$8,874,728.85 for the Ronca Contract for PC4B-6C. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Review of the 2013 Authority Budget

Mr. Weaver noted during the August meeting, the Board directed staff to revisit the sewer rental fees. He explained that he took a weighted average for the past several years and came up with a number closer to what the sewer rental fees should be for 2013. He noted that he increased the estimated revenue for sewer rental by \$200,000, and no other changes were made to the revenues.

Mr. Weaver noted that there were changes made to the expenditures. He explained that the City of Harrisburg (City) sewer fees were reviewed by the special counsel hired by the suburban municipal users. He noted that the City has delayed meeting with this group, noting that the special counsel has determined that the Township should once again reduce its fees paid to the City. He explained that a committee was formed after the last meeting with the City's Receiver in order to get more accomplished using a smaller group of people. He noted that the main objective was to discuss the sewer rates. He explained that a discussion by the Committee

concerned having a separate Authority run the City's sanitary sewer plant. He noted that this is still under discussion by the City. He explained, since the City continues to delay in meeting with the Committee and the Township is overspending what it is paying to the City by a dramatic amount, Mr. Wyland, Special Counsel, recommended that the Township again decrease the amount paid to the City from its current rate of 13% to 37%. He noted that the new rate was based upon the AUS rate report. He explained that he would be presenting a Resolution to the Board of Supervisors at its meeting to be held later this evening for its approval.

Mr. Hawk noted that it reduces the residential rate to \$30.37 and the commercial rate. Mr. Weaver noted that it would provide for an overall reduction of \$2.7 million to \$1.9 million. He noted that it greatly impacts the budget that was presented at the August meeting.

Mr. Crissman questioned if it was mentioned to the City that the Township planned to further reduce its fees. Mr. Wolfe answered that there will be official correspondence from the Authority. Mr. Stine noted that the City knew that there would be a reduction, but it may not have known the actual dollar amount.

Mr. Hawk questioned why the delay with the City in meeting with the suburban municipalities. Mr. Weaver noted that the City's solicitor sent a letter to Mr. Wyland and he responded to that letter. He suggested that the City wanted to refine the 2013 budget numbers but he thinks that the City does not wish to meet with the Committee as the Committee wants to reduce the rates. He explained the longer they delay a meeting, the higher rate payment the City would have received. He noted if the Board of Supervisors approved the resolution during its meeting tonight to reduce the rate, then they may discontinue the delay in meeting.

Mr. Hawk questioned if the City disagreed with the numbers from the AUS Report. Mr. Weaver answered that a copy of the report was sent to the City but they did not respond to the audit. Mr. Wolfe suggested that further discussion on the legal ramifications should be held in executive session. He noted that the budget was prepared on a reduced rate.

Mr. Wendle noted that the rate tables showed what was being held in a restrictive line item until this issue is resolved. He noted when you look at the cash as the end of the year; it was divided up into restrictive and unrestrictive funds. He noted that the restrictive funds will accrue at \$1.2 million per year.

Mr. Weaver noted that the Swatara Transmission rate was also reduced by \$220,000 from the August budget. He noted that the original number was \$1.6 million. He noted with the advancements to the new treatment plant he expected that the operations cost would increase;

however, when he received the budget from Swatara Township a few weeks ago, the actual expenses remained at the 2012 level. He noted that the total treatment costs were reduced to \$1 million. He noted that the only unknown is the City of Harrisburg's litigation.

Mr. Weaver noted that staff met with PENNVEST yesterday, and the loan that he will close out by the end of the year was scheduled for \$13.3 million but the actual loan amount was only \$10.7 million. He noted that PENNVEST will provide a new amortization schedule noting that the budget is based on the interim amortization schedule based on the higher amount. He noted that he is budgeting about \$840,000 in payments to PENNVEST; however, by the middle of next year he expects a reduction in that amount by \$100,000.

Mr. Weaver noted that he is comfortable with the revenues and expenditures other than the comment on the PENNVEST loan could change and the City's issues.

Sewer Rate Proposals

Mr. Hawk requested to discuss the three options for sewer rate increases. Mr. Weaver noted that the reduction in payments to the City affects the bottom line. He noted that he reduced the budget for payments to the City, and due to the 15-year corrective action plan; the management reimbursement agreement has also decreased. He noted that the total net revenues for 2013 are up to \$2.4 million. He noted that the City issue along with the Swatara issue and the payroll for the inspectors is part of the proposed budget under the Exhibit for Management Reimbursement. He noted that it amounts to \$900,000 in payroll costs that he would capitalize and it would have to be paid through the bond funds.

Mr. Hawk questioned if this would put a rate increase on hold for 2013. Mr. Weaver noted that the Board directed CET to come up with several options for projections for rates out to 2018.

Mr. Seeds questioned if these rates reflect the changes in city rates and reduction in sewer rates to Swatara. Mr. Wendle explained that he did these rates the end of last week and those items are reflected in the numbers. He noted that \$900,000 of salaries paid out of the current budget, could be paid by the bond funds that must be spent by 2014 as they are capital expenditures. He noted that normally project costs associated with sewer construction would include the design and inspection services that go along with it. He noted that they are normally capitalized as they are not an annual cost. He noted that Mr. Weaver took those numbers that were spent on the projects, and it amounted to \$900,000 per year; therefore the budget shows it as a reduction. He noted when he looked at borrowing for the future; he added \$3.6 million

every four years and increased the amount of borrowing in the future. He noted that it levels off the expenses because when everything is done in the future, the Authority won't need six or seven inspectors, providing a reduction in staff. He noted that the operating numbers will look the same and it would have evened it out for a longer period of time. He noted that it is a financial decision that the Board has to make.

Mr. Wendle noted that there is no imminent need to raise rates, although during the last meeting there was discussion about inching up the rates slowing and what the overall impact would be.

Mr. Wendle noted that Exhibit 1 shows a \$3 per quarter increase. He noted that it produces operating surpluses until the next borrowing comes in. He noted in 2016 when you start to make a new debt service payment, there is only an operating surplus of \$49,000. He noted that it goes into deficit spending but the estimated year-end cash reserves will grow for several years up to \$14 million. He explained that he wanted to keep the reserves between \$4.5 and \$6 million. He noted that the Board could make decision to borrow less money in the future, as the Authority will have built up some cash over this time period. He noted that it raises the rates very slowly. He noted that any of the rate increases that he projected, when you get out ten years from now the rates are pretty similar. He noted that you will still show cash but in 2016, one was projected at \$165, \$160 and \$155. He noted that you can get to the end several different ways. He explained that he also showed a cash surplus of \$10 million. He noted to make a decision to not increase the rates this year is not a huge deal. He noted that it would provide time to see what will happen with the City of Harrisburg.

Mr. Weaver noted that he prepared the budget with the assumption that there will be a change from how the Authority is paying the City now and how they will be paid in the future. He noted that he requested Mr. Wendle to show borrowing money to pay the City Lower Paxton Township's share of the upgrade. He noted that it is estimated to be \$60 million and 25% of that would be \$15 million that would need to be borrowed by the Township. He noted that the City of Harrisburg stated that their cost of treatment will increase by \$1 million. Mr. Wendle noted that he took the rate that Mr. Weaver provided to him and in two years increased it by \$250,000. He noted that the Township will have to purchase credits for the next couple of years and that is reflected in this projection. He noted that it will be dependant on if there is a Harrisburg Authority and how they will do that. He noted that previously, the City would borrow the money and charge the Township based upon EDU and that is what percentage of the debt

service that we would pay. He noted that as the Township grows, the percentage would increase. He noted if you only borrow 25%, knowing that the Township will be one of the major future development areas for increase, if the Township borrows a chunk of money to pay for its share then the Township should have some capacity assigned to it which isn't the case now.

Mr. Hawk noted with the economy the way it is now, especially with the fiscal cliff, we could see tax increases and expenditures decrease, the stock market is topsy-turvy, and the State has major transportation funding issues. He noted that the Governor could implement user fees, so the citizens may be dipping into their pocket books and now may not be the best time to increase rates. Mr. Wendle noted that he does not recommend increasing rates. He provided a number of scenarios for what would happen if you did increase the rates and what revenues and cash flow are expected. He noted if you look at the restrictive account as you go out it gets really big and you don't want a big liability showing on the books that you could owe to the City.

Mr. Wolfe noted that we have a balanced budget that does not need an increase in rates for this coming year; however when we presented this to the Board the first time you requested to see rate projections into the future with an increase for 2013. He noted what we are showing the standard budget in table and narrative form, with three exhibits, the first with no rate increase in 2013, the second with a three dollar increase 2013, and the third with a five dollar increase in 2013. He noted that it shows how it would impact the numbers going into the future. Mr. Seeds noted that the reason for the request was to prevent higher rate increase in the future.

Mr. Wendle noted if you look at Exhibit 2, the rates stays at \$120 until 2016, and if you look at the dark shaded numbers they are what were originally projected a few years ago. He noted that you can see for most of the projections we thought we would be a lot higher than we are now. He noted that for 2009, we thought the rate would be at \$140 for 2013. He noted that you could keep the \$120 rate for three years but then you would have to increase the rate \$5 per quarter every year after but it would not violate the "no more than \$10 per quarter increase rate". He noted that you would not have to increase the rate until 2016 and it would only be a \$5 increase.

Mr. Weaver noted that the budget was set using the current rate of \$120 per quarter.

Mr. Blain made a motion to approve the 2013 budget at the current rate of \$120 per quarter. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Mr. Crissman questioned how this would unfold in terms of reducing the rate paid to the City. He questioned if six months from now we will be going through the same process in preparing the 2014 budget, and would the City attempt to do anything within that time period. Mr. Weaver answered that we will not know anything more until we meet with the City again. He noted that it is very clear to him of what it takes to run the City's treatment plant. He noted that there are some discrepancies as to whether some numbers should be capitalized or operational but he does not know why they continue to inflate their numbers. He suggested that there may be some resistant's on the City's part. Mr. Crissman noted that the Township has documentation for its rate. Mr. Weaver suggested that it should not be changing year to year once we establish the accurate rate.

Mr. Wendle suggested if the City was able to form an Authority that it may it useful. Mr. Wolfe noted that it is not a top issue for the City to get done, although it is significant in dollar amount and impact to the region. Mr. Weaver noted that they do not have a debt for their facility, but it is significant that the City was basing 50% of its revenue on the Authority revenues.

Action on Resolution 12-11 establishing attorney fees
for delinquent sewer account collections
and
Delinquent Sewer Collections with Modern Recovery

Mr. Weaver noted at the last meeting the Board approved a new collection agent, Modern Recovery but they do not have an attorney on staff to do the bankruptcy work and the filing of liens. He noted that staff met with Mike Slusser from the Slusser Law Firm who provided a history of his experience and references and based upon his hourly rate it would be a good fit for the Authority. He noted that Mr. Slusser has a good reputation.

Mr. Hawk noted that in many instances they will send out letters as their approach... Mr. Weaver noted that the collection agency is different from the law firm who will handle the legal matters. Mr. Seeds questioned if they will work with Modern Recovery. Mr. Weaver answered yes. Mr. Seeds noted that Modern Recovery could get up to 25% of the bill, and now this will put that way over that fee. Mr. Weaver noted that this is the hourly rat; at the next Supervisor's meeting he will have an agreement from Slusser for the Township to approve him as the attorney to work separately only for legal matters.

Mr. Seeds noted that it would cost the rate payer up to 25% for Modern Recovery's fees in addition to the attorney's fees, so it could be more than 25%. He questioned if you would only use the attorney for liens. Mr. Weaver answered yes. He noted that he does not expect to

use the attorney at all, but staff has to have one. He noted that it is better to perfect a lien at the new rate as compared to the old rate used by the previous attorney. Mr. Stine noted when a property comes up for sale or there is a foreclosure, the sheriff will contact everyone who has a lien on the property and asks for updated numbers.

Mr. Seeds noted that prior to this time, Attorney Gary Imblum was doing all the work, but now we have hired Modern Recovery. He questioned if the Township would work with Mr. Slusser and not Modern Recovery. He questioned, if Modern Recovery can't collect the funds, does the Township pick it up and notify Slusser. Mr. Weaver noted that the Township is working with Modern Recovery and Slusser. He noted that the Authority sets the rate in the collection fee. He noted that the Township administers it through the management agreement. He noted that is why the Township would approve the agreement with the Attorney. He noted that Modern Recovery will collect the delinquent accounts assessing a 25% fee, but if they don't collect anything, then Attorney Slusser will file a lien. Mr. Seeds questioned if the Township will work with Slusser and not Modern Recovery. Mr. Weaver answered yes. Mr. Seeds questioned that it won't be part of Modern Recovery's fees. Mr. Weaver noted that you could have a 25% collection fee and a legal fee as well.

Mr. Hornung questioned why the Township does not use Mr. Stine to do the legal work. Mr. Stine answered that he does not do lien or bankruptcy work. He noted that it could be a fair amount of work given the number of delinquent accounts.

Mr. Hornung noted that Mr. Wolfe has shared the list of homes in the Township that are unfit and he questioned what the chances are of ever getting the money from some of the homes. He questioned if the Township is first in line for collecting on a lien. Mr. Stine answered that the Township trumps the mortgage company, only second after the federal government and the Commonwealth of Pennsylvania. Mr. Hornung questioned what the chances of eventually getting it are. Mr. Weaver noted that Mr. Stine does not want to do this work.

Mr. Wolfe noted that the list is only the tip of the iceberg as it lists the foreclosed properties; however there are a tremendous amount of delinquent accounts. Mr. Wolfe suggested that we review the Modern Recovery letter that they plan to use as it may have an impact on the process.

Mr. Weaver explained that Modern Recovery recommended that staff send the letter included in the Board Packet to all clients whose accounts will be sent to Modern Recovery. He noted that it states that they are delinquent and the Authority would be willing to waive the

penalty charges; however, if they are not paid in full there is a potential for legal and collection fees.

Mr. Weaver noted that Modern Recovery is under contract with the Township and the fee is 25% of what is collected. He noted that this concept is very interesting because the way the previous Authority used to do it, because the lien was so powerful, they would not collect delinquent accounts and when it reached \$1,000 they filed a lien. He noted that this is a different approach. He explained when the accounts are 90 days or 180 days delinquent you go after the rate payer right away as they have different means of collecting the funds. He noted that Mr. Slusser will file liens for some of the old cases and he will work with some of the old bankruptcies. He noted that he does not expect to use the attorney for the new process as Modern Recovery has told him that they are very effective in collecting past due payments. He noted that the letter explains that it will waive some penalty charges if paid by December 21, 2012. He suggested that there are 250 accounts that will receive this letter and if the collection agent is successful he would collect 25% of the amount due. He noted if Modern Recovery is not successful they will not collect anything. He noted that the problem with the old process of using the attorney is that they got their money right away and if they didn't collect the charges the Township was stuck with the extra fee. He noted if Modern Recovery doesn't collect anything they don't get any fees.

Mr. Seeds questioned if this letter would be sent before the overdue accounts are given to Modern Recovery. Mr. Weaver answered yes. He noted that the Board wanted a notice sent to the clients before their bills went to the collection agency, and the letter will do exactly that. Mr. Seeds questioned if the letter will be sent registered mail. Mr. Weaver noted that he would have to look into the legality of that issue. He noted that he did not think he was required to send it certified. Mr. Wolfe answered that you are not required to send the letter at all so you would not be required to send it certified. He noted if staff would do that it would increase the postage costs significantly. Mr. Weaver suggested that the notices will be mailed first class.

Mr. Hawk noted that many people will not accept a registered letter as they know that it means problems.

Mr. Crissman questioned what it has to do with the \$150 per hour rate delinquent sewer rate. Mr. Weaver noted that for a couple of years staff will probably not need an attorney as Modern Recovery should be collecting the delinquent accounts and we should not have to file any liens; however, we can't prohibit bankruptcies. Mr. Crissman questioned if the agreement is

for a certain amount and also for a set time. Mr. Weaver noted that he has not seen the agreement yet and he was supposed to provide it to him before the meeting. Mr. Crissman noted that Mr. Weaver did not think that we would need it. Mr. Weaver answered that we hope not but we can't prevent someone from filing bankruptcy.

Mr. Seeds noted in the top paragraph for the letter it states that a municipal lien "will" be filed but you might want to change it to "may". Mr. Weaver explained that we will file a lien if they don't pay. He noted in the second paragraph the second line states "is will" and it should state "is willing to". Mr. Weaver noted that it is a draft letter prepared by staff to have the Board and Mr. Wolfe to review. He noted that it is not in its final form.

Mr. Seeds noted that the next step is if they don't respond to this letter that you will turn the accounts over to Modern Recovery. Mr. Weaver answered yes. Mr. Seeds noted that you may want to state, may be filed because it sounds as if you are definitely filing a lien. Mr. Wolfe noted when you deal with those that you are chasing; you don't want to sound wishy-washy, you want to sound authoritative. He noted that in many cases we will not file the lien but he did not think we should tell people that. We should tell them that we will file a lien unless you give us our money.

Mr. Weaver noted that Modern Recovery is working with Susquehanna and Swatara Townships and he verified with them that he is very successful in collecting accounts. He noted that Swatara Township sent a set of second accounts that are due and Modern Recovery has collected over \$125,000 in the last couple of months and for Susquehanna Township he has collected about \$40,000. He noted that our delinquency is very small, about \$700,000 or less than 2%, but it is rising. He noted that it concerns approximately 250 accounts; however, we are getting the same amount of accounts from Gary Imblum to determine how many of those accounts we want to send to Modern Recovery. He noted that he is negotiating a fee for the work for the old accounts. He noted that he will be bringing those back to the Board at a later date; however, for the time being, he would like staff to send out the 250 plus letters for the new accounts and have the Board establish the attorney fees with Slusser to move ahead.

Mr. Seeds noted that the process would be sending out the letter, and if there is no response it would be turned over to Modern Recovery. He noted that next process after that would be using the Attorney Slusser.

Mr. Hornung questioned if we have ever filed under a foreclosure. Mr. Weaver answered yes noting that they have over 100 liens filed over the past 15 to 20 years. He suggested that

Attorneys Portnoff and Gary Imblum were successful in getting over half of those noting that there are probably about 50 left. He noted for 30 or 40 years there were no collections. He noted that the first collection entity was undertaken by Attorney Portnoff and he suggested that there are still some accounts with significant amounts on them.

Mr. Hornung questioned when a property is sold that has a lien on it, who watches over it. Mr. Stine explained that the sheriff will get a list of all the liens and they notify everyone of the sale. Mr. Weaver noted that they are talking about a transfer sale. Mr. Stine noted that a title searcher will only search back five years for judgments but municipal liens are good for 20 years so if they don't see a revival they figure that there is no lien. He noted that it lasts a lot longer than a judgment lien. Mr. Hornung questioned if we have anything in place to collect on this when a property is sold. Mr. Weaver noted he did not think so even though the lien is there, he would need to check with the new attorney. Mr. Hornung suggested that we should check with him to see if there is a way that we could do that. Mr. Wolfe noted that the problem is going after the new owner. Mr. Weaver noted that we are prepared if someone calls as we have the information on the lien in the computer. Mr. Hornung noted that there is no incentive for anyone to call to check. Mr. Weaver questioned if there is a way to know this when the property is transferred. Mr. Stine answered if they did not search it properly, they don't know that it is there. He noted that the title insurance company would be on the hook. Mr. Weaver questioned if there is a requirement to get the balance for the sewer bill. Mr. Stine explained for every settlement someone should call to get this information. He noted if they don't then the settlement agent has a problem.

Mr. Hornung questioned how much are we behind in uncollected funds. Mr. Weaver noted that it is about \$670,000; however it used to be \$400,000. He noted that Ms. Knoll and Ms. Fasolt prepared a chart for the Board members for a prior meeting. He noted that the rates had gone up significantly. Mr. Hornung questioned if a large amount of these delinquents are commercial properties. Mr. Weaver answered not so, the lions share is residential. Mr. Hornung questioned if he could see the report. Mr. Weaver answered that it was in the last Board packet.

Mr. Crissman questioned if there has to be a time element based upon Mr. Weaver's comments. Mr. Stine answered no as filing for bankruptcies will be ongoing.

Mr. Crissman made a motion to approve Resolution 12-11; establishing the attorney fee of \$150 for the Slusser Law Firm as the delinquent sewer account collector. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Township Reports

Review of request for grinder pump at 6124 Locust Street

Mr. Weaver explained that at the last meeting the residents from 6124 Locust Street requested assistance with a sewer backup in their basement and the Board requested him to find a way to solve the problem. He noted neither staff nor the engineer recommend doing this because it only occurred in extreme flood events. He noted that he received a quote from Lenker Plumbing to install a grinder pump and a valve and Mr. Wetzel provided a cost to the property owner for the valve or grinder pump. Mr. Hornung noted that the residents were willing to pay the difference between the value and the grinder pump which would be \$6,300.00. He noted if they want to do that he is fine with it.

Mr. Weaver noted the reason he did not call the property owners and ask them to come to the meeting tonight is because Mr. Wendle has come up with another solution. He noted that Mr. Wendle presented to the Department of Environmental Protection (DEP), for certain areas in the Township that have basement backups during significant events especially in the Paxton Creek basin it is related to the City of Harrisburg and the restrictor that they have in that basin. He noted that Mr. Wendle suggested building an overflow pipe like the one located at the Gale Drive and Linglestown Road pump stations. He noted that they would lower the elevation which would allow them to meter the overflow and it could eliminate the basement backups. He noted that there is a change to solve this problem but Mr. Wendle's staff must model the area to determine if it would work. He noted that there is a lot of study that Mr. Whittle has to do to figure it out. He noted that his recommendation would be for the Board not to do anything tonight.

Mr. Seeds noted that he thought a check valve was discussed during the last meeting. He questioned if they would have to manually check the valve that would be located outside the house. Mr. Wetzel answered that staff can't install it inside the house as there is not enough space from the pumping area that is inside to where it goes outside as it goes under a shower. He noted that we have to put it outside if we put in a valve. He noted that it would be installed in a pit that would have a riser

Mr. Weaver noted that the nice thing about Mr. Wendle's approach is that it allows us to monitor the overflow and it saves costs as it could be done very inexpensively. He noted if you do something for one person the issue will move to the next house and they will be calling for help. He noted that we don't solve the problem by installing a valve in one persons home. He

noted that there are numerous places in the Township, such as Harmon Drive, Spring Creek Drive, Arlington Avenue and the Forest Hills area that have issues, noting that he put a valve in Mr. Sirb's house and the problem move up to the Ellison's, and then it moved up to the Sixes. He noted that it will keep moving. He stated that he is hopeful that the analysis that Mr. Whittle does will eliminate the flat area by Koons Park but that remains to be seen.

Mr. Hornung questioned if DEP would consider the new concept. Mr. Wendle answered that he had it on the agenda but we did not get to it during yesterday's meeting. He noted that we talked about it at the annual meeting and they did not reject the idea outright. He noted that it would reduce the impact for public health as it is a lot safer to discharge into a stream then into someone's basement. Mr. Hornung noted if DEP is not favorable then he questioned what the engineering costs would be to get to that level.

Mr. Seeds noted that you already have these values that we are talking about at other people's homes so we wouldn't be setting a precedent by doing that. Mr. Hornung noted that it doesn't solve the problem.

Status Report on current mini-basin construction projects

Mr. Weaver noted that staff will be very busy next year as it has been this year trying to meet the sewer replacement program consent order schedule. He noted that Mr. Hilson has adjusted the schedule based on the design efforts of CET, working on the projects that we have to do, specifically for the bond money that has to be under contract by November of 2014 for the \$28 million that is remaining. He noted that staff has no major issues but some concerns about getting all that money under contract; however CET is working very hard and Mr. Wendle is confident that he will be able to do that.

Mr. Hawk questioned what is going on in the Oak Park Circle area. Mr. Weaver answered that it is SC-1E mini-basin project that Doli Contractors is working. He noted that Staff can provide an update on the current construction for that project. Mr. Hawk noted that they look like they went through Oak Park Circle rather quickly and are now working on the feeder roads. Mr. Hilson explained that they are working on Lexington Street and will work back to Maple Road. He noted that they should be done with Lexington Street shortly as they are on the last run. He explained that they will fall back to do the laterals and restoration. He noted that they put down 600 tons of asphalt through Oak Park Circle for trench restoration so the overlay will be done next year. He noted that Oak Park Circle's laterals are completed.

Mr. Hawk noted that work is being done on Prince Street and Arlington Avenue. Mr. Hilson noted that the approach on Prince Street is for BC6 mini-basin that is coming up for bid shortly. He noted that Prince Street is a cut through street so he is using the staff I&I crew to shorten the construction time for the contractor on Prince Street. He noted that staff will do the lower part of Prince Street and some of the side streets that are in the work zone.

Mr. Hornung noted that staff had a schedule that was increased to take advantage of the economic conditions and we have so much money that must be spent by a certain time due to the loan situation. He questioned when that settles down, will there be a point where we can take a break. Mr. Wolfe questioned if that is for borrowing. Mr. Hornung answered to slow down the work. Mr. Wolfe noted, at this time we are on schedule but have a program that takes us out 15 to 20 years. Mr. Hornung noted that we increased the effort to get it all done during the economic downtimes. Mr. Wolfe noted that we will not get to a point where we will take a significant break. Mr. Wendle noted that is especially true since Beaver Creek was added to the mix. He noted that is what condensed the entire project for the first five years as Paxton Creek's mini-basin may be ahead of schedule but Beaver Creek has to move up. He noted that the first five years Beaver Creek lagged because staff was able to hold off DEP while we did some additional metering to prioritize the basin better.

Mr. Hornung questioned what does the dollars per gallon for removal look like. Mr. Weaver noted that the annual report received great data for PC1A/C, 4B/6C, Asylum Run, noting that all the mini-basins are coming back with significant removals and the dollar amounts are very low because the construction dollars are back to 2006 year level; therefore, the cost per gallon is probably a little lower. Mr. Hornung questioned if we are under \$2 per gallon. Mr. Wendle answered that he did not calculate it for the last several basins. Mr. Weaver suggested that it would be very close to \$2. Mr. Hornung noted that is an important number for him and in the future if you could provide that information for the next meeting he would be grateful. Mr. Wendle noted that before we were looking at replacing sewers and it became critical in terms of decision making; however, he suggested that it is in the \$2 range. He noted for Colonial Park area it showed that we were down to 600 gallon per day per EDU which is down; however, he would like to see what it is for a larger event. He noted that was for the area of the Colonial Park Mall with all their joints. He noted that he would be happy to do a report and send a memo to the Board so you would have it before the next meeting.

Mr. Hornung questioned if the tank situation with Susquehanna Township is a dead issue. Mr. Wendle answered that he does not know. He suggested that they are still talking about the property. Mr. Weaver noted if we are successful with Mr. Wendle's idea to eliminate the basement backups then we would not need storage noting that Mr. Hilson stated that it is much cheaper to do it on the back end than the front end. He noted that we are supposed to have these events happen every 20 to 30 years and now we have them every year and people have sewage in their basements.

Mr. Weaver noted that we had no basement backups during the Hurricane Sandy event and were excused for the overflows. He noted that he has not had any contact with Susquehanna Township and he did not think it was necessary at this point. He noted that the City has issues and they need to determine how they plan to resolve them. He noted that Mr. Wendle has some ideas for bringing that all together so it will be a long process. Mr. Wendle noted that he floated the idea to DEP with respect to the Paxton Creek Basin in that the City of Harrisburg has issues with their combined sewers and Shannon Williams and their Authority are favorable to his ideas. He noted if we could figure a way to reduce the mass of pollutants that are discharged by the Township by doing a combination of storage and Actiflow, as it is a stormwater issue now as opposed to sanitary sewer, where we allow them capacity by letting them capture all their combined sewers and treat the wet weather upstream to allow them that capacity. He noted that no one has rejected that idea outright but it is an approach that he proposed to the City of Harrisburg as well as DEP. He noted that he needs to find out what the City needs to remove in terms of its CSO. He noted that it would benefit the City, Susquehanna and Lower Paxton Townships. He explained if you treated it, it would reduce the mass of pollutants since ours is very dilute as it is less than 10 BOD and would show in the reduction like we showed several years ago. He noted that times are more desperate now and dollars are so short, maybe someone will listen.

Mr. Hornung questioned during a wet weather event, what percentage of Harrisburg's flow is ours. Mr. Weaver questioned at the plant or the collection system. He noted that it used to be between 18 to 20 million gallons. He noted that some of our flows during the recent storms have gone down to 10 to 12 million gallons. Mr. Hornung questioned what the City's flow is. Mr. Weaver noted that their collection system capacity for that is big. Mr. Wendle suggested that it could be 100 million gallons. Mr. Weaver noted that the plant has seen over 100 million as he used to work there. Mr. Hornung noted that our removing 10 million gallons is a pittance for

what they have going. Mr. Wolfe noted that no matter what we do, unless Harrisburg does something, there is no impact on water quality. He noted with the City's combined system that flows into the river and the fact that we are party to that, until that situation is corrected... Mr. Weaver noted that we overflow in the Township because we hit a wall and can't get in. Mr. Wendle noted that it is a combination of that that exacerbates the problem.

Mr. Hornung questioned how the City will ever be able to fix the problem. Mr. Wolfe noted those are questions we can't answer. Mr. Weaver noted that EPA is involved and they are looking very favorable to working with an Authority as they would have more trust with an Authority. He suggested if the City develops an Authority to take this over it should go well.

Engineer's Report

Mr. Shannon noted that staff has been very busy this past quarter, noting that the last of the project financed by the PENNVEST loan are finished. He explained he has prepared record drawings for just about all the basins but he still needs to complete PC4B/6C and get copies to Mr. Wetzel. He noted that he did permit close outs this time on all the PENNVEST jobs, he bid the Forest Hills Interceptor replacement last week, and is working on six or seven other project, all different sizes. He noted that he is ready to bid next year.

Mr. Shannon noted that more development work started construction this period, roughly three of them. Mr. Weaver noted that he has a planning module for approval for the Grove Road properties for the Board's agenda tonight.

Mr. Wendle noted that the bidding market is still very good, noting that he had 11 contractors for a mini-basin project in Penn Township. Mr. Hornung noted that contractors have told him that things are getting worse and not better. Mr. Weaver noted that is what he is hearing. Mr. Shannon noted that the competition seems to be getting fierce again. Mr. Weaver noted that Mr. Hilson has his hands full and the contractors are getting very creative with their numbers; however one contractor is crying about different items that he bid.

Mr. Weaver noted that he is hiring three additional inspectors from CET, noting that he already hired an additional Township Inspector to cover 2013 projects. He noted that he has an agreement in place but no action is needed at this time. He noted that staff only used one CET inspector this year; however, next year we will have three full-time inspectors and one-part time inspector from CET. He noted that we have our five staff inspectors plus CET's four inspectors providing nine inspectors for next year.

Solicitor's Report

Mr. Stine noted that he has nothing to report.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Hornung seconded the motion, and the meeting adjourned at 7:22 p.m.

Respectfully submitted,

Maureen A. Heberle
Recording Secretary

Approved by:

Gary A. Crissman
Authority Secretary